

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NAVITAS KY NG, LLC) 2015-00001

ORDER

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause. On February 28, 2011, Navitas KY NG, LLC ("Navitas KY") acquired the assets of Gasco, pursuant to the Commission's approval of the transfer, and adopted Gasco's tariffs.²

On January 5, 2015, Navitas KY filed its proposed Gas Cost Recovery ("GCR") rate to be effective February 1, 2015.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs. Navitas KY's notice sets out an Expected Gas Cost ("EGC") of \$7.2031 per Mcf, which is a decrease of \$1.0101 per Mcf from its previous EGC of \$8.2132 per Mcf.

¹ Case No. 1994-00427, *In the Matter of the Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company* (Ky. PSC Feb. 16, 1995).

² Case No. 2010-00468, *Joint Application of Navitas Kentucky NG, LLC and Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems* (Ky. PSC Feb. 11, 2011).

2. Navitas KY's notice sets out no current quarter or total Refund Adjustment, which is no change from the previous quarter.

3. Navitas KY's notice sets out a current quarter Actual Cost Adjustment ("ACA") of \$.0292 per Mcf. Starting in January 2015, a large new load will come onto the Navitas KY system, accounting for approximately 10,000 Mcf of sales per month.³ To avoid a large over- or under-recovery through the ACA, Navitas KY included the additional Mcf sales in the calculation of its ACA. Navitas KY's total ACA is \$2.2426 per Mcf, which is a decrease of \$.1224 per Mcf from its previous total ACA of \$2.3650 per Mcf. Due to a spreadsheet error, Navitas KY's notice set out a total ACA of \$2.2425 per Mcf.

4. Navitas KY's notice sets out a current quarter Balance Adjustment ("BA") of \$.0186 per Mcf. To prevent a large over- or under-recovery through the BA, Navitas KY should include the projected sales of 10,000 Mcf per month to its new large customer in the calculation of its BA in the same manner that the sales to the new customer are included in Navitas KY's ACA. Navitas KY's corrected current quarter BA is \$.0038 per Mcf. Navitas KY's total BA is \$.1203 per Mcf, which is a decrease of \$.1288 per Mcf from its previous total BA of \$.2491 per Mcf.

5. Navitas KY's GCR is \$9.5660 per Mcf, which is a decrease of \$1.2613 per Mcf from its previous GCR of \$10.8273 per Mcf.

6. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Navitas KY on and after February 1, 2015. Although Navitas KY's GCR rate filing did not provide 30 days' notice to the

³ See Application, Cover Letter.

Commission as required by Navitas KY's tariff, KRS 278.180(2) authorizes the Commission to make a reduction in rates effective in less than 30 days.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Navitas KY is denied.
2. The rate in the Appendix attached hereto and incorporated herein is approved for service rendered on and after February 1, 2015.
3. Within 20 days of the date of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

<p>ENTERED</p> <p>JAN 15 2015</p> <p>KENTUCKY PUBLIC SERVICE COMMISSION</p>

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00001 DATED **JAN 15 2015**

The following rates and charges are prescribed for the customers served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES per Mcf:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$9.5660	\$14.1860
Commercial	\$3.62	\$9.5660	\$13.1860

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